



**State Employee Benefits Committee
Group Health Program
Maintenance Network Change for Medicare Retirees
August 21, 2017**

Medicare EGWP Maintenance Network Change

- Centers for Medicare and Medicaid (CMS) has approved the utilization of narrow networks for maintenance medications in Medicare Part D Employer Group Waiver (EGWP) plans effective for calendar year 2018.
- The maintenance network only applies to medications being filled for a 90 day supply.
- The objective of this change is to offer EGWP sponsors higher Average Wholesale Pricing (AWP) discounts on 90 day fills.
- Express Scripts has contracted a narrow maintenance medication network for the State's EGWP plan that provides the least disruption in terms of members and distance to travel to a network pharmacy.
- Adoption of this network is mandatory for the State no later than 12/31/2018.

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- The narrow network includes Walgreen's, independent pharmacies and ESI mail order.
- EGWP members are not required to obtain maintenance medications for a 90 day supply; however both members and the plan see greater savings when using 90 day maintenance network pharmacies.
- All other pharmacies would remain in the network to fill medications for a 30 day supply.
- Federal guidelines indicating the narrow network is in compliance with the Any Willing Provider statute in Delaware are being vetted by Delaware's Department of Justice
- Annualized savings is estimated at \$490K.

Member Impact

- 8771 total members would be impacted by this change
- In Delaware, for 6575 members, the average distance from home to a pharmacy in the maintenance network is 1.9 miles.
- Outside of Delaware, for 2196 members, the average distance from home to a pharmacy in the maintenance network is 3.0 miles.
- Members choosing not to change to a participating pharmacy can continue to get their maintenance medications at a pharmacy not in the maintenance network but only for a 30 day supply.

Member Impact Examples

Tier	Retail One-Month (31-day) Supply	Maintenance Network One Three-Month (90-day) Supply	Non Maintenance Network Pharmacy Three 30 day Supplies
Tier 1: Generic Drugs	\$8 copayment	\$16 copayment	\$24 copayment
Tier 2: Preferred Brand Drugs	\$28 copayment	\$56 copayment	\$84 copayment
Tier 3: Non-Preferred Brand Drugs	\$50 copayment	\$100 copayment	\$150 copayment

No penalty will be assessed for members filling a 90 day supply by filling three 30 day fills as opposed to a 90 day supply. Currently in the active/non-Medicare plan a penalty is assessed and the member pays a copay equivalent to the applicable 90 day copay when filling a 90 day supply via three 30 day supplies when the fourth 30 day supply is obtained.

Member Communications

- All members will be notified of this change regardless if they have had a previous 90 day fill at a nonparticipating pharmacy.
- Members identified as previously filling a 90 day script at a nonparticipating maintenance medication pharmacy will receive a targeted communication in advance of the start of this change.
- Members who attempt to refill a prescription for a 90 day supply at a nonparticipating maintenance medication pharmacy will receive a 30 day supply and will subsequently receive a letter reminding them of the pharmacies where they can fill a 90 day supply.

Next steps

- Continue discussion on adoption of EGWP Maintenance network for 2018